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<u>Loss Report</u>

Date: January 4,2005

From: Pat Hauserman, Project Manager Frank Servidio, Superintendent

To: Sean Klimek, Winn Resorts

RE: The Winn Apartment

817 Fifth Avenue, NY, NY - 7th Floor Damage Sustained Due to Pipe Break

December 29,2004

- At 5:00 AM, as the Door Man, Manuel Codarow, delivered the newspaper he noticed a leak by the elevator.
- When Maria Mayer, the Winn's Housekeeper arrived, there was approximately 2" of standing water in the hallway and foyer area, and all surrounding rooms had wet carpet, from the ceiling near the master bathroom completely saturated. Water was dripping
- The Watch Engineer on duty, Harold, investigated upstairs and turned off a branch valve above the Winn Apartment, which was feeding a pantry upstairs on the 8th floor. The leak appeared to stop after the branch valve was shut off.
- At approximately 11:30 AM, Frank Servidio, a Tishman Superintendent arrived with laborers to assess the situation and mobilize a clean-up crew. The visible damage was as follows;
 - As water ran down the passenger elevator shaft it is assumed (and later confirmed with moisture meter) that elevator shaft walls are wet/saturated. Full extent
 - 2. Hallway ceiling was badly damaged and dripping water from taped seams. Much of it had to be removed to keep the leak from spreading throughout the apartment. When the ceiling was opened, water cascaded down. Insulation in ceiling was completely wet, and was removed and disposed of.
 - Ductwork is wet and dripping water. Ductwork was not opened to investigate whether acoustical lining is wet, pending further direction from Owner, as it would have to be opened for further investigation.

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- Fabric panels along hallway were wet along tops. Approximately 6 linear feet from living room into hallway, panels were wet from top down (see attached pictures).
- 5. Carpet wet into the living room for approximately 6 feet leading from both sides of the round foyer.
- 6. Carpet, walls and ceiling in powder room are fully saturated.
- 7. Carpet in master bath fully saturated, including pad and plywood underneath.
- 8. Carpet in work out room fully saturated, including pad and wood floor underneath.
- 9. Carpet leading to 100 bedroom fully saturated until a few feet past linen closet.
- 10. All millwork trim atong hallway is wet. Near powder room and master bath already showing warping.
- 11. Carpet in work out room is fully saturated up to the window drapes, and approximately % across the room toward the mirrored wall. Drapes touching wet floor, but extent of damage to drapery unknown pending further dry-out and testing of fabrics. Carpet, pad and plywood flooring in closet fully saturated, like master bath.
- 12. Artwork along hallway was taken down by Maria and placed in living room. Some pieces are quite wet with very visible damage to flower painting. Paper on back very wet, and picture showing water damage. Metal medallion framed artwork is wet, with framing and back paper wet.
- 13. Frank Servidio investigated the other floors with Carl Schneider, the Building Manager. Leak started at 8th floor and traveled down through the 7th, 6th and 5th floors.
- 14. The following contractors were called in to take emergency steps to minimizing damage;
 - 14.1 Val Flooring, the firm that installed the original carpet, was on site by 2:30 PM. They pulled up the carpets that were totally saturated, as the carpet was too wet to attempt to dry on site laid out. They pulled up and disposed of wet pad, and pulled back carpet and pad in rooms such as the living room where there was partial damage in order to allow drying with fans & dehumidification. The Owner of Val stated that carpeting that is this wet can be cleaned, but it can't be guaranteed not to mildew or have residual odor at a later date. He also stated that the totally saturated carpet should be disposed and replaced. Even with removal and drying off-site, then cleaning, it will likely retain a musty odor.

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- 14.2 Albert Pealman, Inc. (wallcovering and painting specialists) was called in, as Hegman Fleming, who originally installed the hallway panels, could not be contacted. Randy Pearlman, the President, sent a fabric panel specialist over. After reviewing the condition of the panels, he advised Randy that this type of material could be dried and then dry cleaned, but if the wall behind it was wet, it would not be possible to avoid a musty/moldy smell unless they were completely removed, dried in a highly heated space with high dehumidification and then dry cleaned. Even after this, he felt that the stretch marks would be visible, and color would not match on all surfaces.
- 14.3 Degmor, Inc. was called in. They are a water damage specialty contractor. They used moisture meters to determine the extent of saturation. In addition, they brought in industrial strength dehumidifiers and multiple fans to try and dry out the space as quickly as possible without causing further damage, but retard the growth of mold. They look to achieve, at a maximum, a 40% humidity environment. They installed plastic pipes in walls and ceilings to extract moisture using tempered air and dehumidification. In addition, dehumidifiers were installed in all rooms to reduce general moisture in the air.
- 14.4 Bauerschmidt Architectural Millwork Company was called in. After reviewing the existing conditions, it was agreed that the space should be dried out to determine the full extent of damage to the millwork, as it won't be known until the wood has had a chance to dry out. Bauerschmidt stated that there would likely be damage to all trim and surfaces that had been under water, as warping was already visible.

December 30,2004

- A Tishman Labor Foreman and Degmor representatives have been monitoring the equipment, emptying dehumidifiers and checking moisture meters for the past 24 hours, and will continue to do so throughout the weekend. Dehumidifiers are being constantly emptied, but the moisture level in ceilings, walls and floor remain high all day.
- Tishman was directed by Linda Young of Winn Resorts to dispose of all soaked carpeting and padding that couldn't be dried on site, in order to prevent smell, mold growth and health concerns associated with materials that couldn't be dried out in time to prevent mold growth.

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December 31,2004

- Despite 48 hours of dehumidification, walls, ceilings and floors still have high moisture content. In order to increase dehumidification, all equipment moved into wettest areas, and plastic sheeting was draped from floor to ceiling around hallway/foyer.
- The insurance agent for Winn Resorts came on site, along with a construction representative and an environmental consultant working for the insurance agent. After a thorough inspection of the premises, they concluded that Tishman was doing everything possible and correctly, in order to prevent mold growth.

January 1st and 2nd, 2005

All areas continue to dry with dehumidification, but walls and flooring are still wet.
 Equipment monitored around the clock, and dehumidifiers still being emptied often.

January 3, 2005

- Tishman removed the 8th floor pantry cabinets in order to assess the cause of the leak, and
 make repairs necessary to prevent further leaking.
- The apartment smells musty, despite constant draining of dehumidifiers and heated fans blowing. The plywood sub-flooring in the master bath and closets is still saturated, and the slab on the floor below is still wet. Dehumidification has dropped air humidity well below 40%.
- Tishman was advised by Theresa from Winn Resorts to remove all ceilings in hallway/foyer and powder room and remove all wallcovering in powder to room to expedite drying of the space.
- When the ceiling was taken down next to the master bath, the drywall between the hallway and master bath, above the ceiling showed obvious water damage.
- Millwork trim is beginning to crack and spread apart at the seams. Base moldings are showing obvious warping.
- Stone flooring grouting along walls beginning to crack.



